



September 2002

SCHOOL FINANCE UPDATE

A Monthly Newsletter Published by the School Budgeting and Accounting Division

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Linda McCulloch, State Superintendent

October 7 Enrollment Count

Forms: MAEFAIRS Registered Users have been notified by email that the MAEFAIRS system is open for Fall Enrollment. Paper filers received forms by mail with their Annual Data Collection packets in early September.



Instructions: Look for [Enrollment Instructions](#) under Forms and Publications on the School Finance website. Remember to print the count instructions, "Who Can I Count?" on the Blank Forms menu under Reports, and distribute it to each person involved in the count.

Due Date: October 18, 2002 to OPI

Contact Tal Redpath at redpath@state.mt.us or 444-3024 if you have enrollment or ANB questions.

"10 Day Rule"

A district may not count a student as enrolled if that student has been absent, with or without excuse, for 11 consecutive school days immediately preceding and including the count date. Even if the student has not missed 10 days as of the count date, a district cannot count the student if: 1) the student has enrolled in another district; OR 2) the district has received notice verbally or in writing that the student will no longer be attending; OR 3) the student had records transferred to another school; OR 4) the student is otherwise unable to continue attendance (death, detention, etc.) (ARM 10.20.102) OPI Contact: Tal Redpath, (406) 444-3024, or redpath@state.mt.us.

Budget Amendment Packets Available

OPI offers a packet of information about the budget amendment process for school districts. The packet is approximately 15 pages long and is dated September 2002. NOTE: Districts can amend budgets for unusual enrollment increases after the count date, October 7. OPI Contact: Nancy Hall, 444-9852, or nhall@state.mt.us.

In case you missed it.....

See "[New Codes for FY 2004](#)" on the School Finance web page. OPI Contact: Jim Oberembt, (406) 444-1257, or joberembt@state.mt.us.

Contract Soon for FY 2001-02 Audits

If you haven't already done so, please contact your auditor soon to arrange an audit of FY 2001-02. School districts that spent more than \$300,000 of Federal assistance last year, including USDA commodities, must submit an "A-133" (aka "Federal") audit report for FY 2001-02 to OPI by March 31, 2003.

Districts that spent less than \$300,000 of Federal assistance must have a "regular" audit and submit a report to OPI within one year of the close of the fiscal year (i.e., FY2001-02 audits are due to OPI by June 30, 2003). Very small districts with less than \$200,000 of total revenues in all funds combined must have an audit "review" every four years upon OPI request. OPI Contact: Jim Oberembt, (406) 444-1257, or joberembt@state.mt.us.

NEW--10 Hour Per Year Bus Driver Training Requirement

Standards adopted by the Board of Public Education now require a minimum of 10 hours of training for school bus drivers each year. This includes substitute drivers. Each district may determine the types of training included in the program. OPI has a variety of videos on bus driving techniques and bus safety issues that are available for district use. OPI Contact: Maxine Mougeot, (406) 444-3096 or mmougeot@state.mt.us.

*For questions or additional information,
please contact:*

Joan Anderson (406) 444-1960
janderson@state.mt.us

Elementary TR-1 Bus Route Forms Due in October

TR-1 Bus Route forms for routes having only elementary riders are due to the County Superintendent by October 1 and to OPI by October 15. For routes having high school riders, the district must count riders each morning from November 14-20 and send the TR-1 forms to the county and OPI in December. An optional OPI [TR-2 Bus Ridership Form](#) is available on the OPI website to help do the high school counts. OPI Contact: Maxine Mougeot, (406) 444-3096 or mmougeot@state.mt.us.

Requesting Cash for OPI Grants

For grants administered by OPI (see OPI Federal and State Grants Handbook for complete list), remember to submit an annual cash request form for each project in order to receive cash advances. The form shows the district's grant cash needs for each month of the year. Once the form is signed by the district clerk and authorized representative and submitted to OPI, OPI will pay grant cash advances per the request form on the 10th of the month.

The annual form may be amended at any time during the year by sending a revised copy to OPI. For a copy of the form, see the OPI State and Federal Grants Handbook, Appendix B-1 or <http://www.opi.state.mt.us/FederalPrograms/Index.html> under "2002-2003 Consolidated Application Materials." OPI Contact: Joan Anderson, (406) 444-1960, or janderson@state.mt.us.

Transfers Between Funds

The 2001 Legislature changed laws related to transferring money between funds. The following list of questions is an overview of the recent changes in laws and Administrative Rules.

What cash and budget transfers are specifically allowed under school laws?

The following transfers may be made by Board action, without specific hearings:

1. General Fund (01) can transfer money, within the budget, to the Compensated Absences Fund (21). The amount held in the Compensated Absences Fund is limited to 30% of the liability for sick leave and vacation leave termination payouts owed to administrative and non-certified personnel. (MCA 20-9-512)
2. General Fund (01) can transfer money, within the budget, to the Litigation Reserve Fund (27). The amount held in the Litigation Reserve Fund can be used to pay settlements required as the result of law suits. The fund can't be used for costs of litigation, such as lawyer's fees, phone calls, filing fees, etc. When litigation is settled, the balance must be transferred back to the General Fund. (MCA 20-9-515)

3. Impact Aid Fund (26) can transfer up to 25% of the Impact Aid money to the debt service fund (50) to pay bond principle and interest. (MCA 20-9-437 and 20-9-443)

4. Money from any fund except the Miscellaneous Programs Fund (15) can be transferred to the Interlocal Agreement Fund (82) to support an interlocal agreement between the school district and another governmental entity. (MCA 20-9-703)

5. To establish a Non-Operating Fund (19) for a non-operating (temporarily closed) district, the Board must transfer the balances of all funds except the Debt Service Fund (50) and Miscellaneous Programs Fund (15). (MCA 20-9-505)

Can General Fund money be transferred to another fund?

No. MCA 20-9-208 prohibits transfers into or out of the General Fund unless school law specifically authorizes the transfer (see list above).

What funds cannot be transferred?

Laws and rules restrict transfers as follows:

1. The Retirement Fund (14) and the Debt Service Fund (50) cannot transfer money to another fund. The Retirement Fund is county money raised specifically for retirement costs and paid only from the Retirement Fund. The Debt Service Fund is local tax money raised to pay bonds and SIDs. (ARM 10.10.320) [NOTE: When all bonds and SIDs have been paid, the Debt Service Fund can be closed and the balance transferred to the Building Reserve Fund (61), the General Fund (01) or the Technology Fund (28) and used for building purposes. (MCA 20-9-443)]
2. Bus Depreciation Fund (11) can transfer money to any other fund upon voter approval after all buses owned by the district have been sold or otherwise disposed. (MCA 20-10-407)
3. Federal and state grants cannot be transferred. This would include, for example, Title I, IDEA, Drug Free Schools, Gifted and Talented, etc. Most grants are held in the Miscellaneous Programs Fund (15). (ARM 10.10.320)
4. Tax money cannot be transferred from a budgeted fund to a non-budgeted fund. (MCA 20-9-208)
5. Money from a non-budgeted fund cannot be transferred to a budgeted fund. (MCA 20-9-208)

Can tax money be transferred from one fund to another?

Except as restricted, tax money can be transferred from one budgeted fund to another budgeted fund if it is used for the same purpose or a purpose related to the reason for which the taxes were raised. A special hearing is required. Restrictions prohibit transferring money from the Retirement Fund, Debt Service Fund, and General Fund.

Can budget authority be transferred?

If the district transfers cash from one budgeted fund to another, they can transfer an equal portion of the budget to the other fund. (ARM 10.10.320)

What documentation and process is necessary for a transfer?

Any board action should be recorded in the board's minutes. If a specific hearing is required, the board should resolve to hold the hearing and should comply with legal hearing requirements. Within 30 days of approving the transfer, the district must notify the Office of Public Instruction (OPI) in writing. (ARM 10.10.320(11))

If you have other questions, please contact Joan Anderson at janderson@state.mt.us or (406) 444-1960.

Small Rural Schools (SRS) Grants

Most eligible districts have now received their award documents and information packets for the Small Rural Schools funding under the Rural Education Initiative, Title VI, Subpart 2 of the ESEA. If not, the information should arrive within the next few days from the U.S. Department of Education.

In order to request and receive cash draws from the awarded funds, the U. S. Department of Education's GAPS e-payment system must be used. This system is new to most district clerks. To find information about the system, go to the GAPS e-payment system website at: <https://e-grants.ed.gov/gapsweb/epHome.asp>. This site refers to forms the district must fill out to get set up to use the e-payments system.

Districts will need their "DUNS Number" that was obtained during the application process early in the summer. It is the 9-digit Dun and Bradstreet business identifier number for the district.

Districts must also provide the Routing Number to the bank account that will receive the funds. Districts are encouraged to contact the County Treasurer for help filling out the "SF 1199A, Direct Deposit Form." When filing out the form, it is required that the county's account routing number be utilized to allow the system to send the funds directly to the County Treasurer for the district. OPI Contact: Michael Hall at mhall@state.mt.us or (406) 444-4422.

Check it Out –

eSchool News School Funding Center

The following site offers information on up-to-the-minute grant programs, funding sources, and technology funding. <http://www.eschoolnews.com/resources/funding/>



FEDERAL ESEA TITLE VI WORKSHOP DURING MCEL

OPI Grant Accountant Madilon Beatty will present a workshop on the "redirection" provisions, Small Rural Schools, and Rural Low Income Schools programs under the "No Child Left Behind Act."

The workshop will be offered on:

Thursday, October 17 from 8:00 am – 9:00 am at the MCEL Conference in Billings. Call Madilon at 444-4403 for more information.

School Finance Forms and Publications on Internet



Need an attendance agreement /tuition form? Transportation forms? Elections calendar? General information about school budgeting and accounting? See the School Finance area of the OPI website for forms and publications at

[http:// www.opi.state.mt.us/schoolfinance/forms.html](http://www.opi.state.mt.us/schoolfinance/forms.html)

Let us know if you are looking for a particular form, and we'll do our best to provide it electronically!

Questions or comments? Contact Joan Anderson at (406) 444-1960 or janderson@state.mt.us.